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<p>(21) International Application Number: PCT/US99/05978</p> <p>(22) International Filing Date: 19 March 1999 (19.03.99)</p> <p>(30) Priority Data: 60/078,793 20 March 1998 (20.03.98) US</p> <p>(71) Applicant (for all designated States except US): IQ FINANCIAL SYSTEMS, INC. [US/US]; 23rd floor, 130 Liberty Street, New York, NY 10006 (US).</p> <p>(72) Inventors; and</p> <p>(75) Inventors/Applicants (for US only): JAMMAL, Shahnaz [MY/MY]; 175-3 Sri Wangsaria, Jalan Ara, Bangsar Baru, 59100 Kuala Lumpur (MY). NEALE, Corinne [FR/SG]; Great Eastern Mansions #02-01, 3 Taman Nakhoda, Singapore 257744 (SG). RAJENDRA, Prabhakaran [MY/MY]; #6 Road 5/3, 47300 Petaling Jaya (MY). WONG, Alan [MY/MY]; Kampung Melayu, Batu #8, Jalan Labuk, 90000 Sandakan (MY). YANG, Andy [MY/MY]; 64 Jalan SS2/41, 47300 Petaling Jaya (MY).</p> <p>(74) Agents: RAY, Michael, B. et al.; Sterne, Kessler, Goldstein & Fox P.L.L.C., Suite 600, 1100 New York Avenue, N.W., Washington, DC 20005-3934 (US).</p>		
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<p>(54) Title: SYSTEM, METHOD, AND COMPUTER PROGRAM PRODUCT FOR ASSESSING RISK WITHIN A PREDEFINED MARKET</p>		
<p>(57) Abstract</p> <p>A system (10) and method for measuring or quantifying the probability of default of a borrower. Credit factors (20) from companies that banks have extended loans to are inputted and collected into processor (15). The method employs a process utilizing an optimization function and a standard multivariate nonlinear regression to process client information and to provide an output value whose value is indicative of the likelihood or risk of default by a particular borrower.</p>		
<pre> graph TD 30[INPUT ESTIMATION DATABASE CONTAINING CREDIT FACTORS OF BORROWERS WHO DEFAULTED AND BORROWERS WHO NEVER DEFAULTED] --> 32[FIND OPTIMAL WEIGHTS] 32 --> 34[CALL VALIDATION DATABASE CONTAINING OBSERVED EVENTS OF DEFAULTS AND NONDEFAULTS] 34 --> 36[PREDICTION AS TO WHETHER EACH BORROWER IN VALIDATION DATABASE WILL DEFAULT OR NOT] 36 --> 38{ARE THE PREDICTIONS ACCURATE ENOUGH? (I.E. PREDICTIONS MATCH OBSERVED EVENTS)} 38 -- NO --> MC[MANUAL CHECK ON QUALITY OF DATA IN ESTIMATION DATABASE] MC --> 32 38 -- YES --> 40{ARE THE OPTIMAL WEIGHTS STABLE?} 40 -- YES --> 42[USE OPTIMAL WEIGHTS TO PREDICT FUTURE DEFAULTS ON DIFFERENT SET OF BORROWERS] 40 -- NO --> 32 42 --> 44[OUTPUT GRAPHIC FACILITY] </pre>		